

IRS CRIMINAL INVESTIGATION REORGANIZES

WASHINGTON - As part of the Internal Revenue Service reorganization, the agency has created a new, streamlined Criminal Investigation (CI) geared toward investigating tax and related financial crimes.

Effective Monday, 4,500 CI employees, including more than 2,800 special agents, will now report directly to the CI Chief in Washington. Previously, CI employees reported to District Directors across the country.

The 1999 independent review of IRS CI, conducted by Judge William Webster, resulted in two key recommendations for change that form part of the reorganization.

The primary change is a renewed emphasis on the investigation of tax-related crimes. CI will continue to investigate money laundering and narcotics-related financial crimes, but its primary focus will be to investigate violations of the Internal Revenue Code. Referrals to CI of detected fraud from the new IRS operating divisions will help ensure that all taxpayers pay their fair share of taxes. In addition, CI will play a key role on an IRS Compliance Council, which will implement a more coordinated and comprehensive IRS tax compliance program.

Another key change was IRS Commissioner Charles O. Rossotti's selection in November of CI Chief Mark E. Matthews from outside the IRS. Matthews, an attorney with federal prosecution and private practice experience, brings a new perspective to the investigation and prosecution of tax and related financial crimes. Matthews' outside experience, combined with the 26 years of IRS special agent experience of the new Deputy Chief, Dennis E. Crawford, produces a well-balanced team to lead CI.

"As a prosecutor, I was keenly aware of IRS CI's reputation as the best financial investigators in federal government, and I am honored to be a part of this organization," Matthews said.

The 35 local CI Special Agents-in-Charge (SACs) will report directly to the IRS Headquarters office through the Directors of Field Operations and will be responsible for referring cases for prosecution to the Department of Justice Tax Division.

The CI changes are part of a broader IRS reorganization to transform the tax agency from a geographic-based organization to a customer-focused agency built around the specialized needs of taxpayers.

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